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SIPDIS

NEA/IPA TO GOLDBERGER, SACHAR, LENTZ; EEB/IFD TO JACOBY;
TREASURY TO BALIN

E.O. 12958: DECL: 01/05/2019

TAGS: ECON EFIN IS

SUBJECT: ISRAEL TO USE U.S. LOAN GUARANTEES

Classified By: Economic Counselor David Burnett for reasons 1.5 b and d

In a January 6 telcon, Michal Finkelstein, Senior Advisor to the Ministry of Finance (MOF) DG, informed Dep EconCouns the GOI intends to borrow money made available through the 2003 U.S.-Israel Loan Guarantee Agreement. She said that the issue is now in the preliminary planning stage and that no firm decisions have yet been made with regard to how much of the available loan money will be used, or when. The final decision on these matters will be made in the next week or two by the Finance Minister in consultation with the Accountant General. At that point, the GOI will contact the USG to formally initiate the loan guarantee process. When asked whether the decision to use the guarantees reflected GOI pessimism regarding the state of the Israeli economy, Finkelstein demurred.

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